

FISCAL NOTE

Bill #: HB0509

Title: Revise laws on default supply of electricity

Primary Sponsor: Olson, A

Status: As Amended in Senate Committee

Sponsor signature _____ Date _____

Chuck Swysgood, Budget Director _____ Date _____

Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
State Special Revenue	\$0	\$0
Revenue:		
State Special Revenue	\$64,306	\$64,306
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Revenue

1. Under current law, the universal systems benefit (USB) program terminates July 1, 2003. This bill would extend the program through December 31, 2005.
2. Utilities receive credits against their USB funding requirements for conservation and other programs they fund. If a utility's credits are less than its funding requirement, the difference must be deposited in the USB account. In general, utilities plan to meet their USB funding requirements directly and payments into the USB account are expected to be \$100,000 or less.
3. The Department of Revenue's costs from continuing the USB program would be minimal.

Legislative Branch

4. HB 509 creates the Energy and Telecommunications Interim Committee, repeals certain analysis and reporting requirements of the Revenue and Transportation Interim Committee, and eliminates the Transition Advisory Committee.
5. Revisions of analysis and reporting requirements of the Revenue and Transportation Interim Committee have no fiscal impact.
6. The Energy and Telecommunications Interim Committee will be composed of eight legislative members.

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7. The energy committee will review rules, conduct interim studies, and perform other duties of interim committees as defined in 5-5-215, MCA. Committee costs relate to travel and personal services of committee members, and the operational costs of postage, supplies, and contract secretarial support.
8. The Transition Advisory Committee is funded for the 2005 biennium in the Legislative Services Division's Interim Committees program in HB 2.
9. The Legislative Services Division will apply the budget designated for the Transition Advisory Committee in the 2005 biennium to the committee costs of the new Energy and Telecommunications Interim Committee.
10. The provisions of HB 509 have no fiscal impact to the Legislative Branch.

Department of Environmental Quality

11. The transition advisory committee would be abolished. This would slightly reduce Department of Environmental Quality (DEQ) workload, allowing existing staff to work on other projects. A benefit, but no net change in budget.
12. All revenues generated are deposited in a state special revenue account (02973) for the Universal System Benefit Program. There is currently \$128,184 in this account available and appropriated for use by the DEQ.
13. The DEQ administers the program with minimal effort. The sunset of this program would not result in any savings and the continuation of this program is funded in the department's base.
14. Utilities receive credits against their USB funding requirements for conservation and other programs they fund. If a utility's credits are less than its funding requirement, the difference must be deposited in the USB account. Payments into the account in FY 2002 were \$48,612 and in FY 2001 were \$80,000. An average of these amounts would equate to \$64,306, which is what is used for the assumed revenues generated. ($\$48,612 + \$80,000 = \$128,612 / 2 = \$64,306$)

FISCAL IMPACT:

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
<u>Revenues:</u>		
State Special Revenue (02)	\$64,306	\$64,306
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue (02)	\$64,306	\$64,306